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JUL 14 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

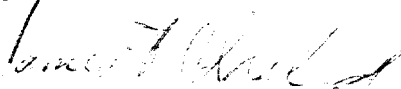
**Re:    Notice of Permitted Ex Parte Contact**  
**WT Docket No. 97-82** /

Dear Ms. Salas:

The purpose of this letter is to advise the Commission of permitted *ex parte* contacts in the above-referenced proceeding. On July 11, 2000, Alpine PCS, Inc. delivered the attached letters to Clint Odom (Assistant to Chairman Kennard), Adam Krinsky (Assistant to Commissioner Tristani), Mark Schneider (Assistant to Commissioner Ness), Bryan Tramont (Assistant to Commissioner Furchtgott-Roth) and Peter Tenhula (Assistant to Commissioner Powell).

Please contact the undersigned if you have any questions about this matter.

Respectfully yours,



James F. Ireland

cc:    Clint Odom (w/o enclosure)  
     Adam Krinsky  
     Bryan Tramont  
     Mark Schneider  
     Peter Tenhula

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List A B C D E

# ALPINEPCS

May 11<sup>th</sup>, 2000

Mr. Adam Krinsky  
Federal Communications Commission  
Office of Commissioner Gloria Tristani  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Adam:

Attached is a summary of comments and other filings that the FCC has received regarding the viability of 10 MHz of spectrum that is part of the tentative conclusions in the recent Further Notice of Proposed Rulemaking regarding the C Block spectrum. I think that it is pretty clear from these comments that more than 50% of the commenters do not believe that 10 MHz of spectrum is sufficient to build a viable long-term business.

If you have any questions I can be reached by telephone at 301-983-3072, on my wireless phone at 240-401-5240, or by email at [prest@dc.net](mailto:prest@dc.net).

Sincerely,

Arthur L. Prest  
Vice President and CTO  
Alpine PCS, Inc.

# ALPINEPCS

May 11<sup>th</sup>, 2000

Mr. Bryan Tramont  
Federal Communications Commission  
Office of Commissioner Harold Furchtgott-Roth  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Bryan:

Attached is a summary of comments and other filings that the FCC has received regarding the viability of 10 MHz of spectrum that is part of the tentative conclusions in the recent Further Notice of Proposed Rulemaking regarding the C Block spectrum. I think that it is pretty clear from these comments that more than 50% of the commenters do not believe that 10 MHz of spectrum is sufficient to build a viable long-term business.

If you have any questions I can be reached by telephone at 301-983-3072, on my wireless phone at 240-401-5240, or by email at [prest@dc.net](mailto:prest@dc.net).

Sincerely,

Arthur L. Prest  
Vice President and CTO  
Alpine PCS, Inc.

# ALPINEPCS

May 11<sup>th</sup>, 2000

Mr. Clint Odom  
Federal Communications Commission  
Office of Chairman William Kennard  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Clint:

Attached is a summary of comments and other filings that the FCC has received regarding the viability of 10 MHz of spectrum that is part of the tentative conclusions in the recent Further Notice of Proposed Rulemaking regarding the C Block spectrum. I think that it is pretty clear from these comments that more than 50% of the commenters do not believe that 10 MHz of spectrum is sufficient to build a viable long-term business.

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Sincerely,

Arthur L. Prest  
Vice President and CTO  
Alpine PCS, Inc.

# ALPINEPCS

May 11<sup>th</sup>, 2000

Mr. Mark D. Schneider  
Federal Communications Commission  
Office of Commissioner Susan Ness  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Mark:

Attached is a summary of comments and other filings that the FCC has received regarding the viability of 10 MHz of spectrum that is part of the tentative conclusions in the recent Further Notice of Proposed Rulemaking regarding the C Block spectrum. I think that it is pretty clear from these comments that more than 50% of the commenters do not believe that 10 MHz of spectrum is sufficient to build a viable long-term business.

If you have any questions I can be reached by telephone at 301-983-3072, on my wireless phone at 240-401-5240, or by email at [prest@dc.net](mailto:prest@dc.net).

Sincerely,

Arthur L. Prest  
Vice President and CTO  
Alpine PCS, Inc.

# ALPINEPCS

May 11<sup>th</sup>, 2000

Mr. Peter Tenhula  
Federal Communications Commission  
Office of Commissioner Michael Powell  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Peter:

Attached is a summary of comments and other filings that the FCC has received regarding the viability of 10 MHz of spectrum that is part of the tentative conclusions in the recent Further Notice of Proposed Rulemaking regarding the C Block spectrum. I think that it is pretty clear from these comments that more than 50% of the commenters do not believe that 10 MHz of spectrum is sufficient to build a viable long-term business.

If you have any questions I can be reached by telephone at 301-983-3072, on my wireless phone at 240-401-5240, or by email at [prest@dc.net](mailto:prest@dc.net).

Sincerely,

Arthur L. Prest  
Vice President and CTO  
Alpine PCS, Inc.

# **FNPRM & Other Comments That 10 MHz is Not Enough**

Compiled by Arthur L. Prest  
Alpine PCS  
July 10, 2000

- **US West**
  - FNPRM Comments page 5: *"As a relatively new entrant in the wireless market, and with only 10 MHz of spectrum in any of its service areas, USWW could face substantial challenges without access to additional spectrum. If the Commission were to adopt the proposed 2.5 million threshold for Tier 1 BTAs and open up eligibility for only one 10 MHz C block license in these markets, USWW might not be able to meet its spectrum needs in large cities such as Portland, Oregon or even USWW's home market of Denver, Colorado."*
- **SBC**
  - FNPRM Comments page 2: *"could result...in the addition only of a spectrum-constrained entrant that will be unable to compete as effectively with incumbents".*
  - FNPRM Comments page 9: *"As SBC has argued before –and as the Commission has stated in the past – 30 MHz of PCS spectrum is needed to offer a full complement of both voice and data wireless services. Indeed, while the FNPRM tentatively concluded that a wireless system could function with less spectrum, it is carefully worded to state only that 'a 10 MHz C block license is a viable minimum size for voice and some data services. The public interest, however, is not served by creating new competitors that are restricted to the 'minimum' amount of spectrum needed to be 'viable' for voice service, with only 'some' capability to provide data services. In particular, there is no reason to place such restrictions on large carriers seeking to fill in the gaps in their service areas and to become new competitors against other major incumbent carriers who have far more than 10 MHz of spectrum. Accordingly, new entrants should be allowed to bid on and obtain all three 10 MHz licenses to ensure that they can compete on a level playing field with incumbents who already have 25, 30, 45 more MHz."*
- **Sprint PCS**
  - April 7, 2000 filing to the FCC in support of Sprint's request regarding Reciprocal Compensation. On pages 24-25 of a document dated April 4, 2000 titled "Cost-Based Terminating Compensation for CMRS Providers" that was submitted by Sprint: *"In some densely populated markets where Sprint PCS has 10 MHz licenses, it currently uses its entire licensed spectrum and is seeking more spectrum to serve increases in demand. If additional spectrum becomes available, the least-cost design of the network may be based on the use of more than 10 MHz of spectrum. However, without a well-organized post-auction market for spectrum, spectrum license transactions are rare and idiosyncratic. A PCS operator cannot safely assume that its need for additional spectrum can be satisfied by purchases. Indeed, in markets where Sprint PCS experiences high demand for PCS services, it is likely that other licensees will also face high demand, and no suitable spectrum will be available. Increase in demand may have to be met through cell splitting, and the theoretical long-run, low-cost solution using more spectrum may be infeasible."*
- **Nextel**
  - Nextel Petition for Waiver of Commission's DE Rules page 3: *"[w]hile it has sufficient spectrum for its current operations, Nextel seeks to offer a wider array of advanced data and other innovative wireless communications systems" and therefore needs additional spectrum."*
- **BellSouth**
  - FNPRM page 3: *"That [wireless data] need for additional spectrum will be, if it is not already, extant in markets of all sizes: it will increase, as third generation wireless equipment becomes available". And "Thus the demand for spectrum is not limited to larger markets; it is and will be pervasive".*

- **AT&T**
  - FNPRM Comments page 7: *“demand for spectrum to satisfy congestion, new technology needs” requires it [i.e., the FCC] to make some licenses in this auction available to all interested parties. Opening only one 10 MHz block license in all but the largest markets, however, would not sufficiently serve these needs.”*
- **CTIA**
  - CTIA February 22 Comments on the Nextel Petition for Waiver of Commission’s DE Rules page 3: *“...Nextel also has proposed to divide the reclaimed 30 MHz C Block license into separate 20 MHz and 10 MHz authorizations. This proposal would disadvantage any carrier to expand into new markets in order to compete with incumbent carriers who will have at least 25 MHz of cellular spectrum or 30 MHz of PCS spectrum. This would place a new entrant at a competitive disadvantage since it would not acquire enough spectrum (i.e., capacity) to provide the advanced services offered by its competitors and demanded by its potential customers. The Nextel petition makes this very point when it states that “[w]hile it has sufficient spectrum for its current operations, Nextel seeks to offer a wider array of advanced data and other innovative wireless communications systems” and therefore needs additional spectrum. (Nextel petition at 3)*
- **America Connect**
  - FNPRM Comments page 3: *“America Connect believes that 10 MHz of spectrum is insufficient for upcoming broadband offerings that might employ significant data rates as part of the service offerings. Moreover, as mobility based systems transition to 3G wireless offerings, 10 MHz will be insufficient to facilitate that transition.”*
- **Twenty First Wireless**
  - FNPRM Comments page 4: *“A 10 MHz C Block bandwidth would have compounded the auction fiasco by raising, not lowering the barriers to investment capital for the small business, minority or female winners because of the likelihood that the daily revolutionary innovations in wireless services would have made their bandwidth offerings instant museum pieces.”*
  - FNPRM Comments page 11: *“to fractionate the 30 MHz C Block bandwidth would be to insure quick market failure by small entrepreneurs in blatant violation of section 309 (j).”*
- **RTG**
  - FNPRM Comments page 4: *“A 10 MHz set-aside for designated entities is insufficiently robust to deliver new wireless Internet technologies and other 3G services to rural consumers.”*
- **Leap**
  - FNPRM Comments page 12: *“Leap expects that, with a minimum of 20 MHz, it will be able to expand upon the momentum created by the innovative Cricket voice offering to offer data services in a fashion that the large mobile wireless carriers cannot or will not chose to replicate.”*
- **Powertel**
  - FNPRM Comments page 7: *“Powertel opposes the Commission’s plan to break the remaining licenses into three 10 MH blocks. The Commission should respect the expectation of carriers and their investors that eligibility in these auctions would be limited to DEs. At a minimum, DEs should have the first opportunity to bid on these licenses. Any licenses that are not purchased by DEs could then be distributed in an open auction. Should the Commission decide that some participation by non-DEs is warranted, it should limit that participation by reserving at least 20 MHz of licenses for DEs.”*
- **US SBA**
  - FNPRM Comments page 6: *“20 MHz, rather than 10 MHz, is a more appropriate amount of spectrum with which to start a new business, as it permits a full range of wireless voice and data services. 10 MHz is suitable for providing more limited services and is an adequate amount for spectrum relief.”*



- **NCTA**
  - FNPRM Comments page 8: *"A small carrier that is able to obtain 10 MHz of spectrum stands little chance of competing in a market against a large carrier with far more spectrum."*
  - FNPRM Comments page 9: *"Further, there is evidence that 10 MHz of PCS spectrum, by itself, is insufficient to create a viable business plan. 10 MHz of spectrum is not enough for a company to offer the full range of services. 10 MHz may be used to offer voice or data service. Barring the development of a revolutionary spectrum technology however, 10 MHz of spectrum is not enough to provide both voice and data service. Offering a small company 10 MHz of spectrum with virtually no prospects for additional set aside spectrum is worthless. Any company that provides service using just 10 MHz of spectrum is condemned to soon becoming obsolete, especially when faced with competitors in the same market with a least 30 MHz of spectrum. The fact that there may be two qualified entrepreneurs in a market with just 10 MHz of spectrum each further ensures the failure of this auction."*
- **OPM Auction Company**
  - FNPRM Comments page 2: *"OPM believes that 20 MHz is the minimum amount of spectrum that a DE must have in order to compete with established carriers and prepare itself for 3G services."*
  - FNPRM Comments page 6: *"OPM strongly opposes the Commission's proposal to reconfigure each available 30 MHz C block license into three 10 MHz licenses. Due to technical and economic considerations, 10 MHz is insufficient for any PCS carrier that wishes to be competitive in the market place."* Note: a signed Declaration is attached to this filing that provides technical reasons as to why 10 MHz is insufficient.
  - FNPRM Comments page 7: *"OPM believes that small business would be uninterested as 10 MHz is unsuitable to provide voice and data services. Instead, to compete with incumbent wireless operators, small business would be forced to attempt to win two or more blocks of 10 MHz within a market in order to acquire enough spectrum."*
- **Burst**
  - FNPRM Comments page 2: *"20 MHz of spectrum is essential to enable small businesses to compete on a more equal footing with the large incumbents."*
- **Northcoast**
  - FNPRM Comments page 6: *"10 MHz is sufficient to initiate voice and data service provision; however, it is not sufficient to support deployments of 3G technologies and services."*
- **Carolina PCS**
  - FNPRM Comments page 6: *"Because DEs will need to offer these new technologies in order to compete with their non-DE rivals, DEs will also need more than 25 or 30 MHz in an individual BTA and must be ensured a corresponding realistic opportunity to acquire additional spectrum to remain competitive."*
- **Advanced Telecommunications Technology**
  - FNPRM Comments page 3: *"licensees with a single 10 MHz license may have difficulty competing with cellular and A and B block PCS carriers with much more spectrum, particularly in markets that have a number of entrenched interconnected wireless service providers. The first problem would be the lack of ability to expand. The Commission is already receiving complaints of congestion from carriers with 30, 40, and 45 MHz of spectrum in a market. Small businesses will encounter the same problems as they add customers, only more quickly because they will have a small amount of spectrum. Given the fact that wireless data is projected to grow faster than the wireless voice market, the problem may be more significant for 10 MHz licensees, who will require a large amount of spectrum in order to provide internet capability and other data services."*
- **US Airwaves**
  - FNPRM Comments page 5: *"for example, in order for a new entrant to provide Third Generation ("3G") wireless services, at least 20 MHz of spectrum is required."*
  - FNPRM Comments footnote #5 regarding letter from Tom Wheeler to Chairman Kennard: *"it is not technically possible to offer 3G in 10 MHz of spectrum."*

- Rainbow/Push Coalition

- FNPRM Reply Comments page 8: *“The Commission tentatively concludes that ‘a 10 MHz C Block license is a viable minimum size for voice and some data services, including Internet access...The very fact that these carriers are attempting this eleventh hour spectrum grab must give the Commission pause as to the long term viability of 10 MHz operators. These carriers already have 10, 25, 30, or 40 MHz in these markets and are seeking more. While the Commission should make every effort to bring more mobile spectrum to market and to promote secondary market transactions that can relieve spectrum congestion, it should not condone the efforts of these huge carriers to expand at the expense of new entrepreneurs who would be irreparably handicapped with 10 MHz licenses and little prospect for future bandwidth.”*

- PCIA

- FNPRM Reply Comments page 17-19: *“Based on the first-hand experience of its members, PCIA believes that the 30 MHz block cannot be broken up into 10 MHz and support viable DE operators. Even the Commission implicitly recognizes this in the Notice when it states that large incumbent carriers that already possess 30 MHz or more require additional spectrum to be competitive. In fact, 10 MHz is simply not enough. A 10 MHz license size dooms that licensee to inevitable failure. PCIA members, trying to put the Commission’s predictions into practical application in concrete business plans, have found that these numbers simply do not add up. Although it is theoretically possible to begin providing pared down, basic service with 10 MHz, a business plan premised on the availability of only 10 MHz of spectrum is doomed to failure in the long run. Once a system begins operation with 10 MHz, and subscribers begin to sign on in large numbers, capacity constraints quickly become apparent, even with the more efficient access schemes. If a carrier provides so-called ‘all you can eat’ service using CDMA technology, 10 MHz of spectrum, that is, 5 MHz in each direction, soon becomes inadequate. A carrier seeking to provide such service would need to use both Enhanced Variable Rate Coders, as well as all of the available 1.25 MHz CDMA carriers (i.e., 3 carriers within 5 MHz), and significantly increase the density of cell sites to provide sufficient network capacity to support the traffic loads that have been witnessed with such plans. This, of course, is both technically challenging and prohibitively expensive. In the experience of PCIA members, because of the large number of cell sites required to create such a system, a business plan premised on the availability of a mere 10 MHz of spectrum is not economically viable. Thus, splitting the licenses into 10 MHz blocks will not provide DEs with a meaningful opportunity to participate. Instead, by subdividing the licenses, the Commission will be setting DEs up for failure. PCIA believes that 30 MHz is necessary to truly compete for the voice and data services that comprise the wireless market. Moreover, DEs seeking to expand into new markets with only a 10 MHz toehold cannot generate the economies of scale and scope that will enable them to recover the cost of purchasing the spectrum, and to be able to compete on price for customers. As the Commission is well aware, many of the costs of wireless operations, e.g. transmitters, site rent, and the like, are fixed and need to be recovered over the largest possible number of subscribers. If the entrepreneur is capacity-constrained at 10 MHz but its competitor has 30 MHz (or more), and the concomitant number of subscribers that 30 MHz (or 40 MHz) can accommodate, the entrepreneur will never be able to achieve the same economies of scale and thus never be able to vigorously compete on pricing. At best, adopting the 10 MHz license proposal will merely serve to isolate entrepreneurs in the small markets where they already exist. Such marginalization of entrepreneurs does not comport with Congress’ command that entrepreneurs be given a meaningful opportunity to participate in spectrum auctions.”*

- Alpine PCS

- FNPRM Comments page 7: *“The cost of adding capacity for a PCS operator with only 10 MHz system, or provisioning next generation services, by adding cell sites will be significantly higher than such costs for a PCS operator with 30 MHz of spectrum. Figures 1 and 2 developed by Lucent Technologies show how a carrier would evolve cdmaOne networks to cdma2000 3G networks in a 30 MHz scenario versus a spectrum*

*constrained scenario. The operator with 30 MHz of spectrum can simply add additional 1.25 MHz or 5 MHz “carriers” in the case of cdmaONE or cdma2000 Phase 2 respectively without having to double or quadruple the number of cell sites and ripping out the existing cdmaONE network infrastructure.”*

- FNPRM Comments page 9: *“The unintended consequence of the proposed 10 MHz split will be to create one or two handicapped entrepreneurs in a market with only 10MHz each – companies with limited service offerings who will never be able to offer next generation services. A future result will be that eventually the smaller companies will not be able to remain competitive and will have to sell out to the larger ones. The original Congressional and Commission vision of viable, ubiquitous entrepreneur-based competition will not be accomplished.”*